

# Exhibit 1

## MAJOR LEAGUE CONSTITUTION



January 1, 2020

## TABLE OF CONTENTS

	<u>Page</u>
Article I. ORGANIZATION AND PURPOSE.....	1
Article II. MEMBERS AND MAJOR LEAGUE CLUBS.....	1
Article III. COMMISSIONER AND LEAGUE OPERATIONS.....	3
Article IV. EXECUTIVE COUNCIL AND MAJOR LEAGUE COMMITTEES.....	12
Article V. MAJOR LEAGUE MEETINGS.....	17
Article VI. TERRITORIAL AND MEDIA RIGHTS .....	22
Article VII. TERMINATION OF RIGHTS .....	24
Article VIII. DISPUTE RESOLUTION.....	29
Article IX. MISCELLANEOUS .....	31

## Article I. ORGANIZATION AND PURPOSE

- Section 1. Name. The name of this unincorporated association is the Office of the Commissioner of Baseball, which also does business as Major League Baseball.
- Section 2. Purpose. The purpose of this Association is to operate a league consisting of Major League Clubs, to promote the common interests of such clubs and to do or perform such other functions as may be necessary to carry out the purposes and functions of the league or professional baseball. This Association and any entity created, owned or controlled by this Association or all or substantially all of the Clubs shall be referred to as a Major League Baseball entity.
- Section 3. Binding Agreement. This Major League Constitution constitutes an agreement among each entity that owns a Major League Club, each of which shall be entitled to the benefits of and shall be bound by all the terms and provisions hereof.
- Section 4. Term. This Constitution shall remain in effect and not expire unless and until terminated in accordance with Article V, Section 10(c)(10). Every five years, the Commissioner shall provide the Major League Clubs with an opportunity to suggest revisions to this Constitution.

## Article II. MEMBERS AND MAJOR LEAGUE CLUBS

- Section 1. Members. This Association shall consist of 30 members and such new members as may be duly admitted hereafter. The members of this Association are each an entity that owns a Major League Club, and only an entity that owns a Major League Club can be a member of this Association. Each member hereby agrees to act at all times in the best interests of Baseball.
- Section 2. Fiscal Responsibility. Each Major League Club shall comply with any rules dealing with fiscal responsibility as may be contained in the then-current collective bargaining agreement between the Major League Baseball Players Association and the Major League Clubs or issued by the Commissioner in accordance with this Constitution.

Section 3. MLB Control Person. Each Major League Club shall have a Control Person who is accountable to Major League Baseball for the operation of the Club and for the Club's compliance with the rules and regulations of Major League Baseball, and is the single individual with ultimate authority and responsibility for making all Club decisions. Any change in a Control Person is governed by Article III, Section 4(q), Article V, Section 10(c)(2) and all applicable Major League Baseball rules and regulations.

Section 4. Alignment. For purposes of on-field competition, the Major League Clubs shall be organized into two leagues: the American League and the National League. Each league shall have three divisions as follows:

<u>American League</u>	<u>National League</u>
<u>East</u>	<u>East</u>
Baltimore Orioles	Atlanta Braves
Boston Red Sox	Miami Marlins
New York Yankees	New York Mets
Tampa Bay Rays	Philadelphia Phillies
Toronto Blue Jays	Washington Nationals
<u>Central</u>	<u>Central</u>
Chicago White Sox	Chicago Cubs
Cleveland Indians	Cincinnati Reds
Detroit Tigers	Milwaukee Brewers
Kansas City Royals	Pittsburgh Pirates
Minnesota Twins	St. Louis Cardinals
<u>West</u>	<u>West</u>
Houston Astros	Arizona Diamondbacks
Los Angeles Angels	Colorado Rockies
Oakland Athletics	Los Angeles Dodgers
Seattle Mariners	San Diego Padres
Texas Rangers	San Francisco Giants

Section 5. Expansion, Contraction, Realignment, Divisions. Any proposal to (a) increase or decrease the number of the Major League Clubs, (b) realign the Major League Clubs into different divisions or leagues or (c) change from three-division play shall be voted upon in accordance with Article V, Sections 10(c)(1) and (12), as applicable.

Article III.  
COMMISSIONER AND LEAGUE OPERATIONS

- Section 1. Commissioner of Baseball. This Association shall be operated by a Commissioner of Baseball who shall be charged with protecting the integrity of the game of professional baseball and preserving public confidence in Major League Baseball.
- Section 2. Election. A Commissioner of Baseball shall be elected at a Major League Meeting by a vote of three-fourths of the Major League Clubs for a term of years to be determined in accordance with Section 3 below; provided that a Commissioner of Baseball shall be reelected to a successive term by a vote of a majority of the Major League Clubs, which vote shall take place at a Major League Meeting held not more than 18 months and not less than nine months prior to the expiration of any term of office of the Commissioner. If the Commissioner does not wish to be reelected to a successive term, he or she must notify the Executive Council of such decision not less than 12 months prior to the expiration of his or her term of office. The specific procedures for electing a Commissioner of Baseball shall be determined by the Executive Council; provided that each vote of the Major League Clubs to elect or reelect a Commissioner of Baseball shall be by written ballot.
- Section 3. Term and Compensation. The Executive Council shall establish the term of office of the Commissioner and his or her compensation prior to the commencement of such term; provided that the term and compensation shall be subject to approval by a vote of a majority of the Major League Clubs. A Commissioner of Baseball may be elected to successive terms. Any successive term shall commence upon the expiration of the prior term of office. The minimum term of office for a Commissioner shall be five years; provided that for any successive term, upon the agreement of the Commissioner, the Executive Council may establish a term of office that is less than five years.
- Section 4. Powers and Duties.
- (a) Chief Executive Officer. The Commissioner shall be the Chief Executive Officer of Major League Baseball.
  - (b) Integrity and Public Confidence. The Commissioner shall have the authority to act on any matter that involves the integrity of, or public confidence in, the game of Baseball.
  - (c) Labor Relations. The Commissioner shall have executive responsibility for labor relations and, consistent with the authority

and duties conferred upon him or her by this Constitution, shall have all rights and powers accorded to him or her by any collective bargaining agreement.

- (d) Rules and Regulations. The Commissioner may promulgate rules, regulations and policies that are consistent with the powers and duties conferred upon him by this Constitution. The Commissioner shall submit rules, regulations or policies that materially affect the operations or business of the Clubs for approval by the Executive Council before they are issued, unless a vote of the Clubs is required pursuant to Article V, Section 10.
- (e) Interpretation of Rules, Regulations and Policies; Resolutions; Constitution. The Commissioner shall have the authority to determine finally any disagreement over (i) any Major League Baseball rule, regulation or policy (including, but not limited to, the Major League Rules and the Official Baseball Rules), (ii) any resolution passed by the Major League Clubs pursuant to the provisions of this Constitution or (iii) this Constitution.
- (f) Rules of Procedure. From time to time, the Commissioner shall formulate and announce the rules of procedure to be observed by the Commissioner and all other parties in connection with the discharge of the Commissioner's duties. Such rules shall always recognize the right of any party in interest to appear before the Commissioner and to be heard.
- (g) Boards and Committees. The Commissioner may establish boards and committees from time to time in accordance with Article IV, Section 10.
- (h) Appointment of Officers and Consultants. The Commissioner may, subject to Section 4(j) below, appoint such officers and consultants as he or she, in his or her sole discretion, determines necessary or appropriate to assist in the operation of the business of Major League Baseball, and shall determine the duties, compensation, and term of appointment of such officers and consultants. The Major League Clubs agree that they shall cause the Commissioner to be appointed as the Chief Executive Officer of MLB Advanced Media, L.P. (and any successor entity) and further agree, as applicable, to provide the Commissioner with the right to approve the appointment of any Chief Executive Officer or President of any other Major League Baseball entity.

- (i) League Operations. The Commissioner, in his or her capacity as the Chief Executive Officer of Major League Baseball, shall have the responsibility for, and the power to oversee, direct and administer, all business and operations of Major League Baseball in accordance with and subject to Section 6 below, including, without limitation, conducting, producing, promoting and otherwise arranging Major League Baseball games and events throughout the United States, Canada and all other countries and territories, shall have the final authority to set policies and promulgate directives with respect to such operations, including policies and directives governing human resources, compensation, finance, legal, administration and technology, and shall have all such other powers as may be necessary or appropriate to fulfill these responsibilities. The Commissioner may, subject to Section 4(j) below, arrange for and negotiate contracts for services with third parties to be performed for the benefit of and/or provided to Major League Baseball.
- (j) Financial Matters. Subject to Section 9 below, this Association shall be financed in such manner as determined by the Commissioner. The Commissioner may, consistent with any annual budget approved pursuant to Article IV, Section 7(e), incur on behalf of Major League Baseball any expense that he or she determines, in his or her sole discretion, is necessary to conduct the business and affairs of Major League Baseball including, but not limited to, the leasing of office space, making charitable donations and the hiring of employees, legal counsel and other professional assistance. The Commissioner shall be permitted to incur expenses in excess of any such budget to the extent that the incurrence of such expenses (i) taken as a whole, would not have an adverse effect on the aggregate distributions to be made to Major League Clubs as set forth in the approved annual budgets, (ii) are required by law or pre-existing contract to pay in any event or (iii) have been approved by the Executive Council.
- (k) Bank Accounts. The Commissioner may establish and maintain bank accounts and credit facilities on behalf of this Association and other Major League Baseball entities and approve the payment of all expenses related thereto. The Commissioner may invest the funds on deposit in such bank accounts in a manner consistent with the investment policy established pursuant to Article IV, Section 8(d).
- (l) Distributions. Subject to Section 5 below, the Commissioner shall determine the amount and timing of all distributions to be made to the Major League Clubs.

- (m) Reserves. The Commissioner shall have the authority to establish a work stoppage fund. With the prior approval of the Executive Council, the Commissioner shall have the authority to establish reserves for any other purpose that he or she determines is beneficial to the financial health of Major League Baseball, including, but not limited to, the creation of investment vehicles for the purpose of investing such reserves. The overall investment strategy with respect to reserves, including, but not limited to, decisions related to the types of allocations to be employed by any such investment vehicle, shall be determined by the Commissioner after receiving the recommendation of the Finance Committee or an investment committee established by the Commissioner pursuant to Article IV, Section 10; provided that no reserves held by any such investment vehicle shall be used to purchase control of, or establish, an operating business without the approval of a majority of the Major League Clubs. Upon consultation with the Executive Council and the Finance Committee, the Commissioner shall determine whether excess funds in a reserve shall be distributed to the Major League Clubs and, if so, the amounts and timing of such distributions.
- (n) Investigations. The Commissioner may investigate, either upon the receipt of a complaint or upon the Commissioner's own initiative, any act, transaction or practice charged, alleged or suspected to be not in the best interests of Baseball or in violation of this Constitution or any other Baseball-related agreement or any Major League Baseball rule, regulation or policy. The Commissioner is vested with the authority to summon persons and to order the production of documents, and, in case of refusal to appear or produce, to impose such discipline as he or she determines is necessary in accordance with subsection (o) below. No Major League Club may take any action that restricts the ability of such Club to cooperate with any such investigation.
- (o) Disciplinary Powers.
- (1) In the case of conduct by Major League Clubs, owners, officers, employees or players that is determined by the Commissioner not to be in the best interests of Baseball or is determined to be in violation of this Constitution, any other Baseball-related agreement or any Major League Baseball rule, regulation or policy, the Commissioner may, after investigation, take such action as he or she determines is necessary in his or her sole discretion.

- (2) Action by the Commissioner for each offense shall be limited to any one or more of the following:
- A. a reprimand;
  - B. deprivation of a Major League Club of representation in Major League Meetings, the Executive Council and/or Major League Baseball boards and committees;
  - C. suspension or removal of any owner, officer, employee or player of a Major League Club;
  - D. temporary or permanent ineligibility of an owner, officer, employee or player of a Major League Club;
  - E. a fine, not to exceed \$5,000,000 in the case of a Major League Club, not to exceed \$1,000,000 in the case of an owner, officer or employee, and in an amount consistent with the then-current collective bargaining agreement between the Major League Baseball Players Association and the Major League Clubs in the case of a player;
  - F. loss of the benefit of any or all of the Major League Rules, including but not limited to the denial or transfer of player selection rights provided by Major League Rules 4 and 5 or loss of benefits under the International Amateur Talent System;
  - G. declaration of a contract as null and void or a prohibition on the signing of a contract; and
  - H. withholding distributions due to a Major League Club (including revenue collected by this Association or any other Major League Baseball entity as an agent for or licensee of the Major League Clubs or otherwise) if (i) the Commissioner has determined that such Club failed to discharge any financial obligations to this Association, any other Major League Baseball entity or another Major League Club; provided that any amounts so withheld shall be used to satisfy the financial obligations of such Club or (ii) such Club fails to comply with any action taken by the Commissioner under this Section 4(o).

- (3) In the case of conduct by organizations not parties to this Constitution, or by individuals not connected with any of the parties hereto, that is determined by the Commissioner not to be in the best interests of Baseball, the Commissioner may pursue appropriate legal remedies, advocate remedial legislation and take such other steps as the Commissioner may deem necessary and proper in the interests of the game of Baseball.
- (4) In the case of on-field discipline of managers, coaches, players, umpires and official scorers, playing rule interpretations and game protests, the Commissioner shall, or shall designate an officer of this Association to, resolve or make decisions with respect to such matters.
- (p) Disputes Regarding Club Votes. The Commissioner shall have the authority to resolve any dispute concerning the interpretation or applicability of Article V, Section 10, and any such resolution shall be final, binding, non-appealable and unreviewable.
- (q) Appointment of Interim Control Person. If a Control Person of any Club (i) dies, (ii) resigns, (iii) is removed, suspended or deemed ineligible pursuant to this Constitution or in accordance with such Club's governing documents, (iv) takes a leave of absence or (v) is deemed by the Commissioner and a vote of three-fourths of the Club members of the Executive Council pursuant to Article IV, Section 7(l) to be mentally or physically incapacitated rendering him or her unable to discharge his or her duties as Control Person, the Commissioner, in consultation with such Club, shall appoint an interim Control Person for such Club within fourteen calendar days of the event giving rise to the need to appoint an interim Control Person.
- (r) Club Action. Notwithstanding Sections 4(n) and (o)(1) above, the Commissioner shall not take any action in the best interests of Baseball on any matter requiring a vote of the Clubs under Article V, Section 10 except to enforce compliance with the outcome of any vote.

Section 5. Major League Central Fund.

- (a) General. This Association shall maintain for the Major League Clubs a separate account(s) known as the "Major League Central Fund" to be administered by the Commissioner. All sums received for the account of Major League Clubs under this Constitution shall

be deposited in the Major League Central Fund. The Commissioner is hereby appointed the fiscal agent of the Major League Central Fund.

- (b) Central Fund Deposits. Unless otherwise directed pursuant to the terms of any other agreement entered into by the Major League Clubs, the proceeds received from the sale of media rights and the collection of royalty fees pursuant to Article VI, Sections 4 and 5, respectively, shall be made payable to the Office of the Commissioner of Baseball, as agent for the Clubs. When received, such proceeds shall be deposited in the Major League Central Fund and shall be credited to each of the Clubs equally.
- (c) Payments from Central Fund, Books of Account. Each of the Major League Clubs hereby authorizes and directs the Commissioner to make the following payments on its behalf out of the Major League Central Fund. These payments are to be charged to the Clubs equally.
  - (1) There shall be payments of such contributions to the Major League Baseball Players Benefit Plan as required by any agreement with the Major League Baseball Players Association.
  - (2) With respect to each fiscal year of this Association, there shall be paid to this Association an amount which shall be sufficient to enable the Commissioner, after expenditure of the receipts of this Association from all other sources, to cover (i) the administrative and operational expenses of this Association incurred during such fiscal year in accordance with Section 4(j) above and (ii) expenditures for contributions and other non-operational purposes made in accordance with Section 4(j) above.
  - (3) There shall be paid from time to time such amounts as shall be approved by the Finance Committee for the administrative expenses of this Association and the Major League Central Fund and other purposes common to all Clubs, including, but not limited to, the compensation and expenses of advisors, attorneys, actuaries and other persons retained or employed by this Association or any other Major League Baseball entity in connection with any matter.
  - (4) Subject to funding any reserves established pursuant to Section 4(m) above and the right of the Commissioner to

withhold any amount that he or she has determined is owed by any Club to this Association, any other Major League Baseball entity or any other Major League Club, the balance of each Club's share of the Major League Central Fund remaining after said payments shall be paid to the Clubs in the fiscal year in which received, or as soon thereafter as possible.

- (d) Central Fund Investments. The Commissioner may from time to time invest any balance in the Major League Central Fund in a manner consistent with the investment policy established pursuant to Article IV, Section 8(d).
- (e) Central Fund Books and Records. The Commissioner shall maintain true and accurate books of account and records of all receipts and disbursements and other transactions involving or pertaining to the Major League Central Fund.
- (f) Central Fund Audited Financials. With respect to each fiscal year, the Commissioner shall submit audited financial statements for the Major League Central Fund to the Audit Committee, Finance Committee and Executive Council. Each Major League Club shall be furnished with a copy of such annual audited financial statements.

#### Section 6. League Operations.

- (a) Major League Baseball Season. The Commissioner shall have responsibility for all matters relating to the administration of Spring Training, the Championship Season and the Postseason, which shall be conducted in accordance with the Major League Baseball rules, regulations and policies.
- (b) Umpires. The Commissioner shall be responsible for selecting and hiring all umpires for Major League Baseball games.
- (c) Playing Rules. All Championship Season and Postseason games shall be played under the Official Baseball Rules.
- (d) Schedule. The Commissioner shall be responsible for scheduling all Spring Training, Championship Season and Postseason games in accordance with the Major League Baseball rules, regulations and policies, including, but not limited to, the Major League Rules, and any collective bargaining agreement between the Major League Baseball Players Association and the Major League Clubs. The Commissioner in consultation with the Major League Clubs shall draft a schedule and forward the schedule to the Clubs; provided

that such schedule shall not require any consent or approval by the Major League Clubs unless there is a material change in the scheduling format of the Championship Season, in which case such change shall be voted upon in accordance with Article V, Section 10(b)(8). The Commissioner shall have the right to schedule Championship Season games at neutral sites either within the United States and Canada or, subject to the terms of any collective bargaining agreement between the Major League Baseball Players Association and the Major League Clubs, elsewhere. No Club shall schedule or play any exhibition game during the Championship Season or the Postseason without the prior approval of the Commissioner.

- (e) Schedule Adjustments. In the event any ballpark is deemed by the Commissioner to not be suitable for the playing of Spring Training, Championship Season or Postseason games, the Commissioner shall have the right to change the site of the game and/or adjust the schedule of future games.
- (f) All-Star Game Selection. The Major League Clubs shall provide the necessary services of players, and, if selected as a host Club, the ballpark, facilities and equipment needed for the playing of an All-Star Game (and all related events) during each Championship Season. All-Star Games (and all related events) shall be played under the supervision, control and direction of the Commissioner. The date of an All-Star Game (and all related events) shall be determined by the Commissioner. The host Club for an All-Star Game (and all related events) shall be selected by the Commissioner and approved by the Executive Council.
- (g) All-Star Game Revenues and Expenses. The All-Star Game host Club shall be required to submit such revenue and expense budgets for the All-Star Game and related events as may from time to time be required by the Commissioner. The host Club shall be entitled to reimbursement of its reasonable and necessary expenses out of such revenues. With the approval of the Commissioner, reimbursement of expenses included in the budget may be made on application of the host Club periodically in advance of the All-Star Game. Final settlement pursuant to the approved budget shall be made following submission of an accounting by the host Club at the conclusion of the All-Star Game. Receipts from the sale of tickets (net of applicable local taxes) for the All-Star Game and all related events shall be transmitted by the host Club to the Major League Central Fund after the deduction of any expenses approved by the Commissioner. The net proceeds of the All-Star Game and

all related events after the payment of expenses shall be deposited in the Major League Central Fund and shall be credited to the Major League Clubs equally.

- Section 7. Books and Records. The Commissioner shall maintain true and accurate books of account and records of all receipts and disbursements and other transactions involving or pertaining to this Association.
- Section 8. Audited Financial Statements. Audited financial statements for the preceding fiscal year for this Association and each other applicable Major League Baseball entity shall be submitted annually by the Commissioner to the Audit Committee, Finance Committee and Executive Council. Each Major League Club shall be furnished with a copy of such annual audited financial statements.
- Section 9. Annual Budgets. A proposed budget for the ensuing year for this Association and each other applicable Major League Baseball entity shall be submitted annually by the Commissioner to the Finance Committee and the Executive Council for approval.

#### Article IV.

#### EXECUTIVE COUNCIL AND MAJOR LEAGUE COMMITTEES

- Section 1. Composition. This Association shall have an Executive Council composed of the Commissioner and four Club members from the American League and four Club members from the National League; provided that only the Control Person of a Club shall be eligible to be selected to serve as a Club member of the Executive Council. The Commissioner shall be the permanent Chairman of the Executive Council.
- Section 2. Appointment and Ratification; Vacancy. The Club members shall be appointed by the Commissioner and ratified by the vote of a majority of the Major League Clubs. Club members shall each serve a four-year term, with the term of one member from each League expiring annually. In the case of any vacancy, a new Club member shall be appointed by the Commissioner and ratified by the vote of a majority of the Major League Clubs, and such new member shall serve out the unexpired term of his or her predecessor.
- Section 3. Meetings. The Commissioner, in his or her discretion, shall schedule regular meetings of the Executive Council during each calendar year, but no less than six meetings each year. The Executive Council shall hold such other meetings as may, from time to time, be called at the request of the Commissioner or a majority of the Club members of the Executive

Council. The Executive Council shall establish its own rules of procedure for all such meetings and shall keep minutes of its meetings. The Commissioner and five other members shall constitute a quorum at all meetings. At each meeting of the Executive Council, the Commissioner shall preside except that the Commissioner shall not preside at any meeting at which any of the following is considered: (a) the reelection of a Commissioner of Baseball, (b) the appointment of an acting Commissioner of Baseball or (c) the term of office or compensation of a Commissioner of Baseball or the evaluation of his or her performance.

- Section 4. Voting. At all meetings of the Executive Council, each member of the Executive Council shall have one vote; provided that (a) the Commissioner shall not have a vote (and shall be deemed not present) in connection with any action concerning (i) the election or reelection of a Commissioner of Baseball, (ii) the appointment of an acting Commissioner of Baseball or (iii) the term of office or compensation of a Commissioner of Baseball and (b) no Club member shall have a vote (and shall be deemed not present) in connection with a matter in which the Commissioner has determined that such member's Club has a conflict of interest with respect to the action being considered by the Executive Council. Except as specifically provided otherwise in this Constitution, the action of the majority of members of the Executive Council present and voting at a meeting at which a quorum was present when it was convened shall constitute the action of the Executive Council.
- Section 5. Ex-Officio Members. The Commissioner may, in his or her discretion, appoint up to five ex-officio members to the Executive Council. Ex-Officio members shall have no right to vote on any action taken by the Executive Council.
- Section 6. No Compensation. The members (including any ex-officio members) of the Executive Council shall receive no compensation or reimbursement of expenses for their services as members thereof.
- Section 7. Powers and Duties. The Executive Council shall have the following powers and duties:
- (a) To provide advice to, and confer with, the Commissioner;
  - (b) To approve rules, regulations and policies promulgated by the Commissioner that are required to be submitted to the Executive Council pursuant to Article III, Section 4(d);

- (c) To take any actions delegated to the Executive Council pursuant to any Major League Baseball rule or regulation or any resolution of the Major League Clubs;
- (d) To approve the host Club for any All-Star Game and all related events submitted by the Commissioner;
- (e) To approve or disapprove, in whole or in part, the annual budgets for this Association and all applicable Major League Baseball entities and the incurrence of any expense required to be approved by the Executive Council pursuant to Article III, Section 4(j), each as recommended by the Finance Committee;
- (f) To exercise all powers of the Commissioner following the Commissioner's death, resignation or removal or during any period of incapacity of the Commissioner, in each case, when no acting Commissioner of Baseball appointed pursuant to Section 7(g) below is serving in such capacity; provided that such powers may only be exercised for a period of five business days after the Commissioner's death, the effective date of the Commissioner's resignation or removal or a determination of incapacity pursuant to Article V, Section 10(c)(14);
- (g) If the Commissioner (i) dies, (ii) resigns, (iii) is removed by a vote of three-fourths of the Major League Clubs or (iv) is deemed by a vote of three-fourths of the Major League Clubs to be mentally or physically incapacitated rendering him or her unable to discharge his or her duties, the Executive Council shall appoint an acting Commissioner of Baseball within five business days of the Commissioner's death, the effective date of the Commissioner's resignation or removal, or the Club vote determining incapacity. The acting Commissioner of Baseball shall be elected by a vote of three-fourths of the Club members of the Executive Council and shall serve for a period ending on the earlier of: (i) the election of a new Commissioner of Baseball pursuant to Article III, Section 2 or, in the case of temporary incapacity, a determination by a vote of three-fourths of the Major League Clubs that the Commissioner is no longer incapacitated and (ii) six months from the date of his or her appointment as acting Commissioner of Baseball;
- (h) To oversee and manage the election or reelection of a Commissioner of Baseball including, but not limited to, submitting to the Clubs recommendations as to persons to be considered for election or reelection, and to establish the term of office for and

compensation and benefits to be provided to a Commissioner of Baseball;

- (i) To appoint a presiding officer for any Major League Meeting at which the election, reelection, term of office, compensation and/or duties of a Commissioner of Baseball are to be considered;
- (j) To authorize the Commissioner to establish credit facilities or other lines of credit, as he or she may from time to time deem necessary or appropriate to support the purposes of this Association;
- (k) To approve any agreement, or amendment thereto, with any other party, pursuant to which there is the grant, license or other transfer of radio, television or other audio and/or video media (including the Internet or any other online technology) rights for Major League Baseball games made by this Association; provided that (i) no such approval shall be necessary for any such agreement that grants media rights for a term of less than five years in a country other than the United States unless such agreement grants media rights for Major League Baseball games in the Home Television Territory of any Major League Club that are greater than the scope of such rights granted by this Association in the United States and (ii) such approval may be provided concurrently with a vote of the Major League Clubs pursuant to Article V, Section 10(b)(6); and
- (l) To determine, by a vote of three-fourths of the Club members of the Executive Council, whether a Control Person of a Club is mentally or physically incapacitated rendering him or her unable to discharge his or her duties as Control Person of a Club on a temporary or permanent basis, and, to the extent such Control Person was determined to be incapacitated on a temporary basis, to later determine, by a vote of three-fourths of the Club members of the Executive Council, that such Control Person is no longer incapacitated.

Nothing contained in this Section 7 shall be deemed to diminish or curtail the jurisdiction granted to the Commissioner under Article III hereof or to empower the Executive Council to amend or suspend in any respect any provisions of this Constitution.

Section 8. Finance Committee. This Association shall have a Finance Committee composed of at least three Club members who shall be appointed by the Commissioner; provided that only the Control Person of a Club shall be eligible to be selected to serve as a member of the Finance Committee.

The Commissioner shall be an ex-officio member of the Finance Committee, and shall appoint the Chairman of the Finance Committee. The Finance Committee shall be responsible for the following:

- (a) Recommend to the Executive Council whether or not to approve the proposed annual budgets submitted by the Commissioner for the funding of this Association and all applicable Major League Baseball entities, and all requests by the Commissioner to incur any expense required to be approved by the Executive Council pursuant to Article III, Section 4(j).
- (b) Oversee the finances and fiscal and tax policies of Major League Baseball and the industry.
- (c) Make recommendations to the Executive Council for all decisions relating to the compensation and benefits provided to the Commissioner.
- (d) Establish an investment policy governing the investment of funds deposited into the Major League Central Fund or in any bank account maintained by this Association or any other Major League Baseball entity, which policy, at a minimum, shall permit investments in certificates of deposit, obligations of the United States Government and A<sub>1</sub>P<sub>1</sub> rated commercial paper.
- (e) Such other matters as may be referred to the Finance Committee by the Commissioner or Executive Council.

Section 9. Audit Committee. This Association shall have an Audit Committee composed of at least three Club members who shall be appointed by the Commissioner and who shall not be members of the Executive Council or the Finance Committee. The Commissioner shall appoint the Chairman of the Audit Committee; provided that only the Control Person of a Club shall be eligible to be selected to serve as the Chairman of the Audit Committee. The Audit Committee shall be responsible for the following:

- (a) The integrity of the financial statements and audit of this Association and the Major League Central Fund as well as the financial statements of all other applicable Major League Baseball entities.
- (b) The qualifications, independence and performance of the independent auditors selected to perform such audits.
- (c) Such other matters as may be referred to the Audit Committee by the Commissioner or the Executive Council.

Section 10. Other Boards and Committees. The Commissioner may appoint such other boards and committees (including the Chairman of each such board or committee) as he or she deems necessary and appropriate, and shall be an ex-officio member of each such board or committee unless he or she determines otherwise. The members (including any ex-officio members) of any board or committee formed pursuant to this Section 10 shall receive no compensation or reimbursement of expenses for their services as members thereof unless determined otherwise by the Commissioner.

## Article V. MAJOR LEAGUE MEETINGS

- Section 1. Regular Meetings. At least three regular Major League Meetings shall be held each year on such dates at such places and times as the Commissioner shall designate by notice to the Major League Clubs; provided that the Commissioner may either cancel a regular meeting so called or may fail to call a regular meeting if, after consulting with the Executive Council, in the Commissioner's judgment there is not sufficient business to justify holding the meeting. At least one such regular meeting shall be held after the end of the Postseason and prior to the start of the next Championship Season.
- Section 2. Special Meetings. Special Major League Meetings may be held on such dates at such places and times as the Commissioner shall designate by notice to the Major League Clubs; provided that a special meeting shall be called by the Commissioner whenever requested in writing by any ten Major League Clubs. If the Commissioner shall, within five days after receipt of such request, fail to call a special meeting, any Major League Club so requesting such a meeting may call the special meeting by notice to the Commissioner and each other Major League Club.
- Section 3. Alternatives to In-Person Meetings. The Commissioner, in his or her sole discretion, may hold any regular or special Major League Meeting by teleconference, videoconference or any other means of communication that enables all participants to hear one another.
- Section 4. Notice of Meetings. Except by unanimous consent, no action shall be taken at any regular meeting or special meeting upon any matter of which at least seven calendar days of prior written notice shall not have been given to all Major League Clubs. The notice calling any Major League Meeting may specify that the meeting shall act in Executive Session either entirely or as to any particular matter specified therein.

- Section 5. Executive Session. Upon the affirmative vote of a majority of the Major League Clubs represented at a Major League Meeting or at the Commissioner's direction, such meeting shall go into Executive Session. At an Executive Session each Club shall be represented by not more than one representative unless otherwise directed by the Commissioner. In addition to Club representatives, only the Commissioner and such individuals designated by the Commissioner may be present.
- Section 6. Presiding Officer. At all Major League Meetings, the Commissioner shall preside, except that the Commissioner shall not preside at any Major League Meeting for the reelection of a Commissioner of Baseball or for consideration of the term of office, compensation, incapacity or duties of a Commissioner of Baseball. In any instance where the Commissioner does not preside, the presiding officer shall be a member of the Executive Council as selected in accordance with Article IV, Section 4.
- Section 7. Quorum. At a Major League Meeting, a majority of the Major League Clubs shall constitute a quorum for the transaction of business. No quorum, once present, shall be broken by the departure of any Clubs.
- Section 8. Member Representation. At a Major League Meeting, each Major League Club shall be limited to no more than three representatives, one of whom shall be such Club's Control Person. If the Club's Control Person cannot be present at a Major League Meeting, the Control Person must submit to the Commissioner a signed proxy (in the form provided by the Commissioner) authorizing an owner or officer of the Club to act on the Club's behalf and to bind the Club on all matters that arise at the meeting.
- Section 9. Voting. Each Major League Club shall have only one vote. Voting shall be by voice vote unless the Commissioner or a majority of the Major League Clubs represented at the meeting request a roll call vote, in which case the roll call vote shall be in rotating alphabetical order; provided, however, that upon the majority vote of the Clubs represented at the meeting, the vote shall be by written ballot. The Commissioner also may conduct any vote by mail, electronic mail or other means as long as notice of such vote is provided in accordance with Section 4 above. The result of any vote shall be binding upon all Major League Clubs, regardless of how or whether any Club voted. No Major League Club may enter into any agreement with any other Club or a third party that obligates such Major League Club to vote in a certain manner with respect to any matter considered by the Clubs in accordance with the provisions of this Constitution, unless otherwise approved by the Commissioner. For purposes of this Constitution, in order to calculate the minimum number of members of this Association necessary to adopt a motion by a vote of three-fourths of the Major League Clubs, the number of members

permitted to vote shall be multiplied by three-fourths and the product shall be rounded up to the nearest whole number (e.g., if 30 members of this Association are permitted to vote, a vote of 23 Major League Clubs would be required to adopt a motion that requires a vote of three-fourths of the Major League Clubs).

Section 10. Actions.

- (a) Subject to complying with all applicable requirements set forth in this Article V, any matter may be proposed for action at a Major League Meeting by either the Commissioner or any Major League Club and any matter may be proposed for action by mail, electronic mail or other means by the Commissioner. Except where a greater vote is required hereunder, the action of the majority of the Major League Clubs shall constitute the action of the members of this Association.
- (b) In order for this Association to take any of the following actions, a vote of the majority of the Major League Clubs shall be required:
  - (1) The approval of any collective bargaining agreement between the Major League Baseball Players Association and the Major League Clubs or between any representative of the Major League umpires and the Major League Clubs.
  - (2) The authorization of a lockout of players or umpires or the unilateral implementation of new terms and conditions of employment during a labor dispute.
  - (3) The approval of, any renewal of or successor agreement to the Professional Baseball Agreement between National Association of Professional Baseball Leagues and this Association.
  - (4) The approval of any protocol agreement with a foreign professional baseball league.
  - (5) Subject to subsection (c)(8) below, any material change to the Major League Rules or Official Playing Rules.
  - (6) The approval of any agreement, or amendment thereto, with any other party, pursuant to which there is the grant, license or other transfer of radio, television or other audio and/or video media (including the Internet or any other online technology) rights for Major League Baseball games made by this Association; provided that no such approval shall be

necessary for any such agreement that grants media rights for a term of less than five years in a country other than the United States unless such agreement grants media rights for Major League Baseball games in the Home Television Territory of any Major League Club that are greater than the scope of such rights granted by this Association in the United States.

- (7) Any change in the number of games scheduled to be played during the Championship Season.
  - (8) Any material change to the scheduling format of the Championship Season, or any change to the format of the Postseason including, but not limited to, the increase or decrease in the number of series or games.
  - (9) The ratification of the Commissioner's appointments to the Executive Council in accordance with Article IV, Section 2.
  - (10) The reelection of a Commissioner of Baseball to a successive term.
  - (11) The use of any reserves held by an investment vehicle created in accordance with Article III, Section 4(m) to purchase control of, or establish, an operating business.
- (c) In order for this Association to take any of the following actions, a vote of three-fourths of the Major League Clubs shall be required:
- (1) The expansion by the addition of a new Major League Club or Clubs or contraction by the subtraction of a Major League Club or Clubs.
  - (2) The sale or transfer of a control interest in any Major League Club or, other than as governed by Article III, Section 4(q), the change in the Control Person of any Club (whether or not in connection with any such sale or transfer); provided, however, that a majority vote of all Major League Clubs shall be sufficient to approve any such change in Control Person (including any related sale or transfer of a control interest in such Club) occurring upon the death of a Control Person whereby a spouse or a lineal descendant of such Control Person is designated as the new Control Person for the Club. For purposes hereof, the term "control interest" shall mean the possession by the transferee, directly or indirectly, of the power or authority to make all decisions concerning the

management of a Club. A sale or transfer of a non-control interest in any Club shall require only the approval of the Commissioner.

- (3) The relocation of any Major League Club.
- (4) Any provision affecting the sharing by the Major League Clubs of revenues from any source.
- (5) The amendment of any provision of this Constitution, except as specifically provided otherwise in this Constitution.
- (6) The voluntary termination of the rights, privileges and properties of a member pursuant to the procedures set forth in Article VII, Section 1.
- (7) The involuntary termination of the rights, privileges and properties of a member or an ownership interest in a Major League Club pursuant to the procedures set forth in Article VII, Sections 2 and 3.
- (8) The amendment of Official Playing Rules to in any way alter the designated hitter rule.
- (9) The removal of the Commissioner.
- (10) The termination of this Constitution.
- (11) Subject to Section 10(b)(10) above, the election of a Commissioner of Baseball.
- (12) The realignment of a Club into a different division or league, or a change from the three-division format set forth in Article II, Section 4; provided, however, that no Club may be moved to a different division or league without its consent, which shall not be unreasonably withheld.
- (13) The amendment of any Operating Territory referenced in Article VI, Section 1.
- (14) The determination of whether the Commissioner is mentally or physically incapacitated rendering him or her unable to discharge his or her duties as Commissioner of Baseball on a temporary or permanent basis, and, to the extent the Commissioner was determined to be incapacitated on a

temporary basis, the later determination that the Commissioner is no longer incapacitated.

- (15) The approval of any amendment to the Home Television Territories.

## Article VI. TERRITORIAL AND MEDIA RIGHTS

- Section 1. Operating Territories. The operating territory within which each Major League Club shall have the right and obligation to play Championship Season and Postseason games as the home Club is set forth in the Major League Rules.
- Section 2. Home Television Territories. Each Major League Club shall have a Home Television Territory into which such Club is permitted, subject to Section 3 below, to telecast any game in which it is a participating Club. The Home Television Territories of the Clubs shall be maintained by the Commissioner. Amendments to such territories shall be made only in accordance with Article V, Section 10(c)(15).
- Section 3. Major League Club Broadcasts. Major League Club practices with regard to the telecasting and radio broadcasting of games are governed as follows:
- (a) The Major League Clubs hereby agree that each Club shall have, with respect to each game in which it participates, the right to authorize the telecast of such game only by means of over-the-air, cable and satellite technology, but only within its Home Television Territory. Each Club's right to authorize the telecast of its games within its Home Television Territory by any other means including, but not limited to, the Internet and any other online technology, is addressed in the Major League Baseball Interactive Media Rights Agreement (and any successor agreement thereto).
  - (b) Each Major League Club shall have, with respect to each game in which it participates, the right to authorize the over-the-air radio broadcast of such game (1) if such Club is a home Club, over any radio broadcast station in the United States, for Clubs in the United States, or in Canada, for Clubs in Canada, except a station whose transmitter is not located within 50 miles of such Club's ballpark and is located within 50 miles of the visiting Club's ballpark, or (2) if such Club is a visiting Club, over any radio broadcast station in the United States, for Clubs in the United States, or in Canada, for

Clubs in Canada, whose transmitter is located within 50 miles of such visiting Club's ballpark, except as may be agreed by the home Club and the visiting Club.

- (c) Each Major League Club shall provide in its ballpark to the visiting Club suitable space to be used for the purposes described in subparagraphs (a) and (b) above, together with the ability to install and maintain in such ballpark such wires, cables and other equipment and items as may be necessary for such purposes, at the expense of the visiting Club or the visiting Club's rightsholders. Each home Club will additionally admit such employees and agents of the visiting Club and the visiting Club's rightsholders to the home Club's ballpark free of charge as may be necessary for the purposes described in subparagraphs (a) and (b) above.
- (d) Each Major League Club hereby agrees, with respect to each game in which it participates, that the other participating Club shall have the right, and hereby authorizes the Commissioner to grant to national and international rightsholders the right, to make use of the Club's trademarks in connection with all productions made pursuant to subparagraphs (a) and (b) above, and Section 4 below, and all advertising related thereto. All such use of trademarks shall inure to the benefit of the trademark owner and shall be made pursuant to all established standards of quality.

Section 4. National and International Media Rights. Subject to such approving vote of the Major League Clubs as may be required by Article V, Section 10 and any other agreement entered into by the Major League Clubs addressing media rights, including, but not limited to, the Major League Baseball Interactive Media Rights Agreement (and any successor agreement thereto), the Major League Clubs grant to the Office of the Commissioner of Baseball, acting as their agent, with the prior advice and prior consent of the Executive Council in accordance with Article IV, Section 7(k), the exclusive right to sell on their behalf, throughout the United States, Canada and all other countries and territories, exclusive or non-exclusive television and radio or other video and/or audio media rights (including, but not limited to, the Internet and any other online technology) (live or taped) to the World Series, League Championship Series, Division Series, Wild Card, All-Star Games and all related events, Championship Season games, Spring Training games, exhibition games and other Major League Baseball events. All contracts for the sale of such media rights shall be administered by this Association on behalf of the Clubs, and the contracts shall so provide.

- Section 5. Copyright Royalties. The Clubs further authorize and empower this Association, acting as their agent, to make exclusive demand and present formal claim on their behalf, by appropriate notice, filings and otherwise, and to negotiate and enter into settlement agreements with respect to the collection of royalty fees for broadcasts of Major League Baseball games carried as distant signal programming by cable television systems, satellite providers and other media providers, pursuant to applicable provisions of the United States, Canada and foreign copyright laws.

## Article VII. TERMINATION OF RIGHTS

- Section 1. Voluntary Termination of a Member. Solely upon the approval of three-fourths of the Major League Clubs permitted to vote (not including the Club of the withdrawing member), a member may withdraw from this Constitution by (a) submitting a written request to withdraw to the Commissioner, (b) making full payment of all indebtedness owing to this Association, any other Major League Baseball entity or any other Club, (c) assigning, at the option of the Commissioner, to this Association or this Association's designee all of the withdrawing Club's rights and privileges as a member of this Association and as an owner of any other Major League Baseball entity hereunder or under any other Baseball-related agreement, (d) waiving in writing any claim to any and all funds, property, rights and interests of this Association and each other Major League Baseball entity and (e) complying with all other terms and conditions that may be imposed by the Commissioner, in his or her sole discretion.
- Section 2. Involuntary Termination of a Member. The rights and privileges of a member hereunder and under any other Baseball-related agreement may be terminated (i) in the event of contraction approved in accordance with Article V, Section 10(c)(1) or (ii) involuntarily, with the approval of three-fourths of the Major League Clubs permitted to vote (not including the Club of the member subject to termination), if the member in question shall do or suffer, or cause the Club that it owns to do or suffer, any of the following:
- (a) Disband its team;
  - (b) Disband its business organization or cease its business;
  - (c) Fail to suspend immediately any player, director, officer or employee who shall be proved guilty of offering, agreeing, conspiring or attempting to lose, or manipulating the score or

outcome of, any baseball game or of being interested in any pool or wager on any baseball game;

- (d) Fail to present its team at the time and place it is scheduled to play any Spring Training, championship season or Postseason game, unless such failure is caused by conditions beyond the control of the Club;
- (e) Willfully and materially violate any provision of this Constitution or any provision of the Professional Baseball Agreement between the National Association of Professional Baseball Leagues and this Association, or any rules or regulations duly adopted pursuant to either of those agreements (including, but not limited to, the Major League Baseball rules and regulations);
- (f) Fail to pay any indebtedness owing to this Association or any other Major League Baseball entity within thirty days after receiving written notice from the Commissioner of default of such payment;
- (g) Fail or refuse to fulfill its contractual obligations;
- (h) Fail to maintain a ballpark suitable for the playing of home Major League Baseball games;
- (i) Attempt to prevent a proposed involuntary termination of an ownership interest in the Club in accordance with Section 3 below; or
- (j) Make an assignment for the benefit of its creditors or file a voluntary petition in bankruptcy, or if a receiver or trustee in bankruptcy is appointed for the properties and assets of the Club, or if reorganization proceedings in bankruptcy are instituted by or against the Club.

Section 3. Involuntary Termination of Ownership Interest. Without limiting the Commissioner's powers to act in the best interests of Baseball under Article III (including the power to suspend or remove an owner of a Club pursuant to Article III, Section 4(o)), the ownership interest in a Major League Club of any owner of such Club may be terminated involuntarily, with the approval of three-fourths of the Major League Clubs permitted to vote (not including the Club whose ownership interests are subject to termination), if the owner in question shall, or shall cause such Club to, do or suffer any of the events set forth in Section 2 above or shall do any of the following:

- (a) Transfer or attempt to transfer the control interest of the Club without complying with the provisions of this Constitution, or any Major League Baseball rules and regulations governing the transfer of Major League Club ownership interests (including, but not limited to, the Ownership Transfer Guidelines);
- (b) Offer, agree, conspire or attempt to lose, or manipulate the score or outcome of, any baseball game; or
- (c) Willfully misrepresent any material fact contained in, or willfully omit any material fact required to be included in, any materials provided to this Association in connection with a control interest transfer of the Club or a change in Control Person of the Club.

Section 4. Termination Procedure. The Commissioner shall determine the procedure to be followed with respect to a termination of a member's rights and privileges hereunder and under any other Baseball-related agreement, whether voluntary or involuntary, or the termination of an owner's ownership interests in a Major League Club. Such procedures shall include, in the case of a proposed involuntary termination of a member or ownership interest:

- (a) a written charge identifying the basis for the proposed involuntary termination, which shall be served by the Commissioner upon the member or owner against whom such charge(s) have been made;
- (b) the member or owner so charged shall, within ten calendar days after receipt of the charges, file with the Commissioner its written answer;
- (c) upon receipt of such response, the Commissioner shall transmit such charge(s) and answer to each Club and shall call a special Major League Meeting to hear the charges with such meeting to be held within a reasonable period of time after the filing of a member's or owner's answer;
- (d) willful failure by a member or owner so charged to answer the charges during such ten calendar day period or to appear at the hearing shall be deemed an admission by such member or owner of the total validity of the charges presented;
- (e) at any hearing, the Commissioner shall be the presiding officer and the member or owner so charged shall have the right to be represented by counsel;

- (f) strict rules of evidence shall not apply, and all relevant and material evidence submitted prior to and at the hearing may be received and considered;
- (g) after duly considering all the evidence, the Clubs shall vote upon the proposition that the charge(s) have been sustained in whole or in part in accordance with Article V, Section 10(c); and
- (h) if the Clubs vote to sustain the charge(s), the membership rights and privileges or ownership interest, as the case may be, shall automatically be terminated.

The decisions of this Association made in accordance with the foregoing procedure shall be final, binding, unreviewable and unappealable. Each Major League Club agrees that it will not, and it will not cause its owners to, resist or attempt to prevent by court proceeding of any kind or character, or otherwise, a proposed involuntary termination.

Section 5. Effect of Termination of Member. Upon termination of a member in accordance with Section 1 or 2 above, the Commissioner may, but is not required to, take control over the operations of such member and may, but is not required to, cancel and/or make such other disposition of the terminated member's rights and privileges as a member of this Association and as an owner of any other Major League Baseball entity hereunder or under any other Baseball-related agreement as the Commissioner deems appropriate (including, but not limited to, the right to liquidate by sale the assets of such member). Without limiting the foregoing, this Association, at the option of the Commissioner, is hereby authorized and empowered, but not required, to acquire through a designee and operate or dispose of the ballpark (or leasehold interest therein if such ballpark is leased by the Major League Club of such member) and/or all other baseball properties, including, but not limited to, the Club and the television, radio and other media contracts of such Club, the Player Development Contracts of such Club, the trademark and copyright rights of such Club and any other property, contracts, rights under this Constitution or under any other Baseball-related agreement or other rights the Commissioner shall designate. Any terminated member shall be obligated to assist in carrying out the provisions of any intended sale or other disposition and will execute and deliver any and all documents determined by the Commissioner to be necessary, including, but not limited to, instruments of conveyance, transfer, lease, bill of sale, assignment or quit claim. In the event of a failure, refusal or inability of any terminated member to execute any and all such documents, each member agrees (a) that the Commissioner shall have the full and complete authority, to execute any and all such documents on behalf of the terminated member in order to

carry out the intended sale or other disposition, and (b) that any court of competent jurisdiction may enter any orders, judgments or decrees necessary to enforce and carry out the provisions hereof and that such member will not oppose the entry of any such orders, judgments or decrees. Upon consummation of such purchase or sale, the Commissioner shall first apply the proceeds to the payment of Baseball-related debts of the terminated member, second deduct from the proceeds any funds necessary to reimburse this Association for monies expended in connection with taking control over the operations of the Club of such member and any expenses incurred by this Association or any other Major League Baseball entity in connection with such purchase or sale, third apply the proceeds to the repayment of any secured debts of the Club owed to any third party and, finally, any balance remaining thereafter shall be paid over to the terminated member. The cancellation, operation, acquisition or disposition of a terminated member's rights, privileges and properties shall be conducted in such manner, if any, as may be decided by the Commissioner in the Commissioner's sole discretion.

- Section 6. Effect of Termination of Member on Active Player Contracts and Reservation Rights. Upon a termination of a member in accordance with Section 1 or 2 above, title to the contracts of all active players then under contract to the Major League Club of the terminated member and all rights of player reservation of such Club shall, at the option of the Commissioner, thereupon vest in this Association or a designee of this Association, to be disposed of in such manner as the Commissioner may determine. The Commissioner may exercise this option with respect to all or less than all of the active player contracts and reservation rights of such Club.
- Section 7. Effect of Termination of Ownership Interest. Upon a termination of an ownership interest in accordance with Section 3 above, that interest shall, unless the Commissioner has approved an alternative arrangement, be placed, at the option of the Commissioner, under the management and control of this Association or a designee of this Association, which shall have the power to exercise all of the rights otherwise exercisable by the owner of such interest, including, but not limited to, any management or voting rights and the right to transfer all or any portion of such interest at such prices and on such terms as the Commissioner shall deem reasonable and appropriate. Upon consummation of such transfer, the Commissioner may first apply the proceeds to the payment of Baseball-related debts of the terminated owner, and any balance remaining thereafter shall be paid over to the terminated owner.
- Section 8. Bankruptcy. If any Club is involved in a bankruptcy proceeding, the Commissioner shall have the option, but is not required, to cause such

Club and its assets and properties to be placed under the management of and control of the Commissioner or a designee of the Commissioner in order to continue the operations of the Club without interruption until the proceeding is completed. Upon the exercise of such option, the Commissioner or a designee of the Commissioner shall be deemed authorized, subject to the supervision of the presiding bankruptcy court, to take the following actions:

- (a) Appear on behalf of such Club in any court in which a bankruptcy proceeding is pending;
- (b) Cause such Club to continue to play all scheduled Spring Training, Championship Season and Postseason games;
- (c) Collect all revenues from every source payable to such Club and apply such revenues, to the extent available, to the payment of such Club's operating expenses; and
- (d) Take such further action as he or she shall deem advisable to accomplish the purpose of this option.

The management and control by the Commissioner or a designee of the Commissioner shall continue until the earlier of: (i) the termination of the bankruptcy proceeding; (ii) the transfer of the control interest of the Club; and (iii) the determination by the Commissioner that such management and control is no longer advisable.

Section 9. No Obligations. The existence or implementation of this Article VII (including, but not limited to, the option set forth in Section 8 above) shall not impose upon this Association or any of the Major League Clubs any requirement or obligation to provide funds to any Club or any owner of a Club or assume any liability for any debts or obligations of any Club or any owner of a Club.

## Article VIII. DISPUTE RESOLUTION

Section 1. Dispute Resolution. All disputes and controversies related in any way to professional baseball between Clubs or between a Club(s) and any Major League Baseball entity(ies) shall be submitted to the Commissioner, as arbitrator, who, after hearing, shall have the sole and exclusive right to decide such disputes and controversies in the manner which he or she deems appropriate and whose decisions shall be final and binding on the Clubs and Major League Baseball entities and unreviewable and

unappealable by them in any forum to the extent permitted by law. Disputes arising under a collective bargaining agreement or another agreement to which a Major League Baseball entity is a party shall be governed by the dispute resolution provisions contained in those agreements to the extent such provisions govern such disputes and are in conflict with this Section 1. The Commissioner shall have the power to hear and determine any disputes regarding the scope of this Section 1. The procedure set forth in this Section 1 is separate from and shall not alter or affect the procedure set forth in Article V governing the role of the Commissioner at Major League Meetings, or the Commissioner's powers to act in the best interests of Baseball under Article III.

Section 2. Commissioner Actions. The Major League Clubs recognize that it is in the best interests of Baseball that all actions taken by the Commissioner under the authority of this Constitution, including, without limitation, Article III and this Article VIII, be accepted and complied with by the Clubs without delay and agree to do so. The Major League Clubs (on their own behalf and including, without limitation, on behalf of their respective owners, officers, directors, employees and players) further agree not to engage in any form of litigation between or among themselves or with the Commissioner, Major League Baseball or any Major League Baseball entity, but instead to resolve their differences pursuant to the provisions of this Constitution. In furtherance thereof, the Major League Clubs (on their own behalf and including, without limitation, on behalf of their respective owners, officers, directors, employees and players) severally agree to be finally, unreviewably and unappealably bound by the actions of the Commissioner and all other actions taken or reached pursuant to the provisions of this Constitution and severally waive such right of recourse to the courts as would otherwise have existed in their favor, including, but not limited to, any appeal of any such action to a court, arbitral or administrative forum.

Section 3. Covenant Not to Sue. No Club shall commence, either directly or indirectly, any action in any judicial, arbitral or administrative forum relating to a dispute that is covered by Section 1 or 2 above, including, without limitation, any suits against any of the following: the Commissioner; Major League Baseball; any Major League Baseball entity; or any other Club. Each Control Person of a Major League Club must execute, and file with the Commissioner in a form approved by the Executive Council, a covenant not to sue on behalf of the Club. If a Club violates this Section 3, in addition to any other recourse that is available under this Constitution, (a) all distributions to which the Major League Club would otherwise be entitled from the Central Fund or any Major League Baseball entity shall be withheld from that Major League Club until the suit or other action is dismissed with prejudice and (b) if the

Commissioner in his or her sole discretion so directs, the Club shall reimburse all expenses incurred by the Commissioner, Major League Baseball or any Major League Baseball entity or any other Club, whether as plaintiff or defendant, in connection with any such action; provided that such reimbursable expenses shall include, without limitation, outside counsel attorneys' fees, consultants' fees, professionals' fees and the time expended by in-house counsel and other employees of any Major League Baseball entity in connection with such suit or action in such amounts as shall be determined by the Commissioner in his or her sole discretion.

Section 4. Scope. For the purposes of this Article VIII, each reference to a Club or a Major League Baseball entity shall be deemed to include its respective owners, directors, officers, employees and players (if any); and, in addition, each reference to a Club shall be deemed to include any entity controlled by it or any of its owners, but only to the extent that the dispute or controversy in question concerns, or is with respect to the application of or exercise of authority under, the rules and regulations of Major League Baseball, including, but not limited to, this Constitution.

Section 5. Player and Employee Contracts. The forms of the Minor League Uniform Player Contract and the Uniform Employee Contract, each as required by the Major League Rules, shall contain a clause by which the parties agree to submit themselves to the jurisdiction of the Commissioner, including, but not limited to, arbitration by the Commissioner, as the sole and exclusive forum available to resolve any disputes or claims between the parties, and to accept the Commissioner's decisions rendered in accordance with this Constitution and such contracts as final and binding, and not subject to challenge in any federal or state court or any other tribunal or forum.

## Article IX. MISCELLANEOUS

Section 1. Superseding Effect. This Constitution, and all actions taken pursuant to this Constitution, shall supersede any conflicting provisions or any other agreement, whether now existing or hereinafter entered into, to which any Major League Club is a party and any conflicting actions taken pursuant thereto.

Section 2. Notices. Unless this Constitution specifies a different form or method of notice, all notices required to be given hereunder shall be in writing or by electronic mail or other similar means of communication.

Section 3. Indemnification of League Officials. The Major League Clubs hereby agree to jointly indemnify (a) the Commissioner, (b) the directors, officers and employees of this Association and each Major League Baseball entity (currently existing or hereafter created), (c) each member of the Executive Council and (d) each member of any board or committee appointed by the Commissioner pursuant to Article III, Section 4(g) against expenses (including, but not limited to, attorneys', consultants' and professionals' fees) actually and necessarily incurred by them in connection with any threatened, pending or completed action, suit or proceeding to which they are made a party, and against any judgements which may be rendered against them therein, by reason of having served in any capacity referenced in clauses (a) through (d) above. All other terms and procedures governing such right of indemnification shall be set forth in a separate policy issued by the Commissioner in accordance with Article III, Section 4(d). Such right of indemnification shall not be deemed exclusive of any other rights to which such persons may be entitled under this Constitution or any other Baseball-related agreement.